

FAX TO Tom O'Flaherty

(NJ)

EXV
Advantis Responses

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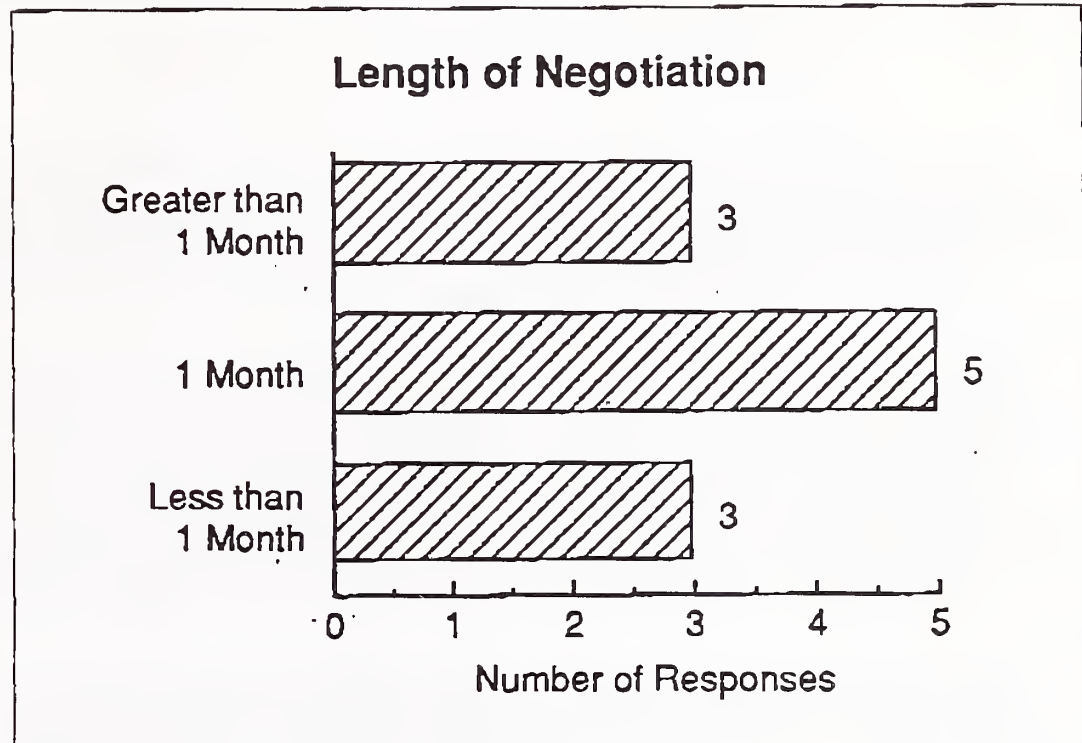
JP



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EXHIBIT IV-1

**A****Negotiating Team**

Each of the respondents was asked about the participants on his/her negotiation teams. The almost universal constant in the responses, as might be expected, was that the Chief Information Officer (CIO) was always on the negotiation team, just as he had been on the procurement team. He also was always assisted by legal counsel, who was usually a company employee. In only one case was the legal counsel from outside the company.

INPUT also compared the composition of the evaluation team to that of the negotiation team. Exhibit IV-2 demonstrates how the two teams compared in each of the nine cases studied. There is some variety in the composition of the evaluation teams. There is much more consistency in the makeup of the negotiation teams. They are also often smaller than the evaluation team.

There was some consistency within vertical industries. Banks tended to have more members on the negotiation team. Companies that had only a lawyer and the CIO on the team were in the manufacturing or retail distribution vertical industry markets.

The vendor's negotiating team generally consisted of a senior sales or marketing executive and a lawyer. In about half of the cases, the vendor included an operations executive on the negotiating team, probably because there was a need to make commitments at that stage on the level and type of service to be ultimately provided.

METHODS OF APPROACHING IS OUTSOURCING

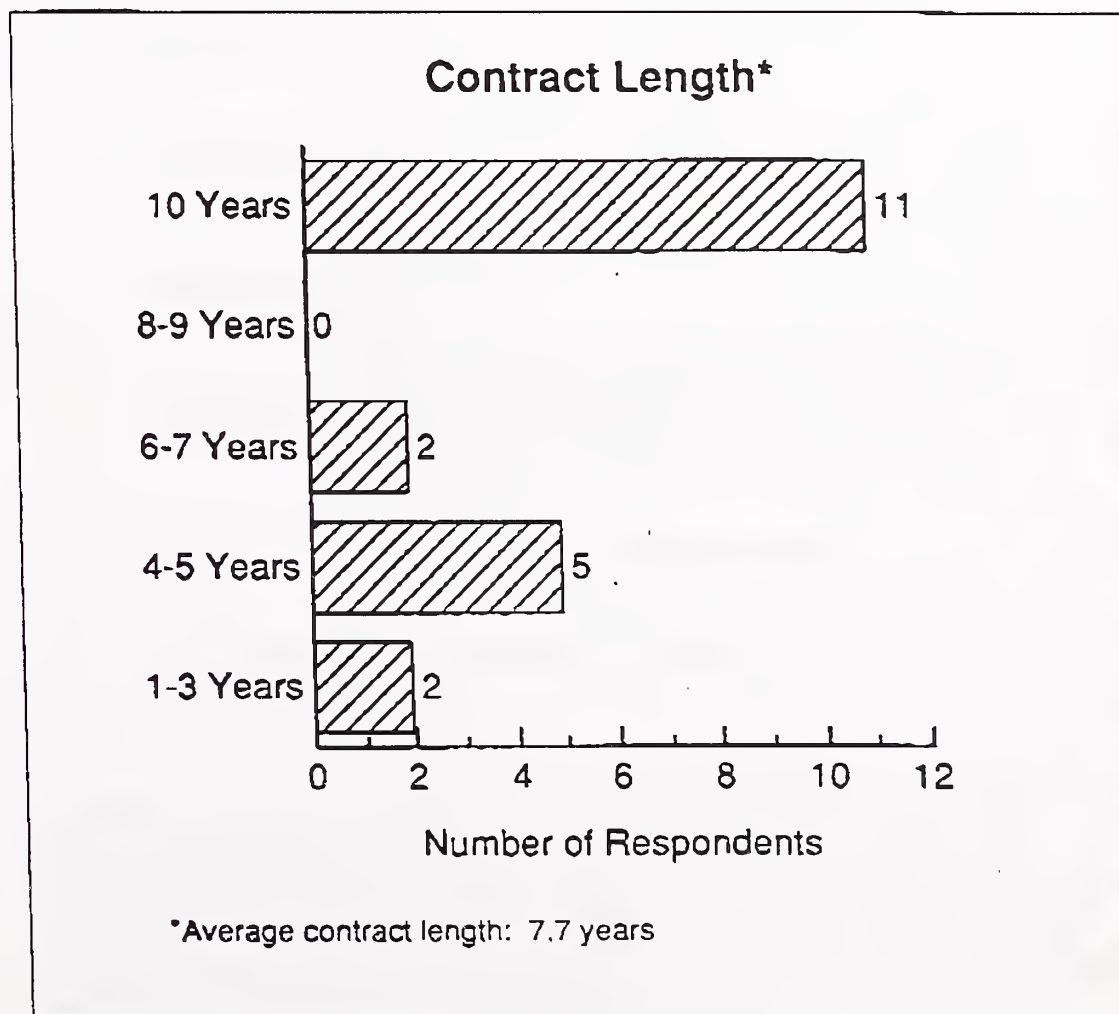
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Although most vendors provide for the transfer of users' personnel into their organizations, or are responsible for their outplacement, only ten user contracts included this provision. Personnel transfer issues are often resolved prior to developing the contractual document.

Contract language addressing equipment upgrades was included in ten contracts. Users with recently signed contracts noted that this provision takes advantage of new technology and changing applications requirements. Those with earlier contracts in place expressed regret that this requirement was not included in their agreements. Vendors are not obligated to provide more efficient hardware and software, according to contract terms.

The period of contract performance is a standard item included in outsourcing contracts. Ten-year contracts are more prevalent than other contract lengths, as shown in Exhibit IV-6.

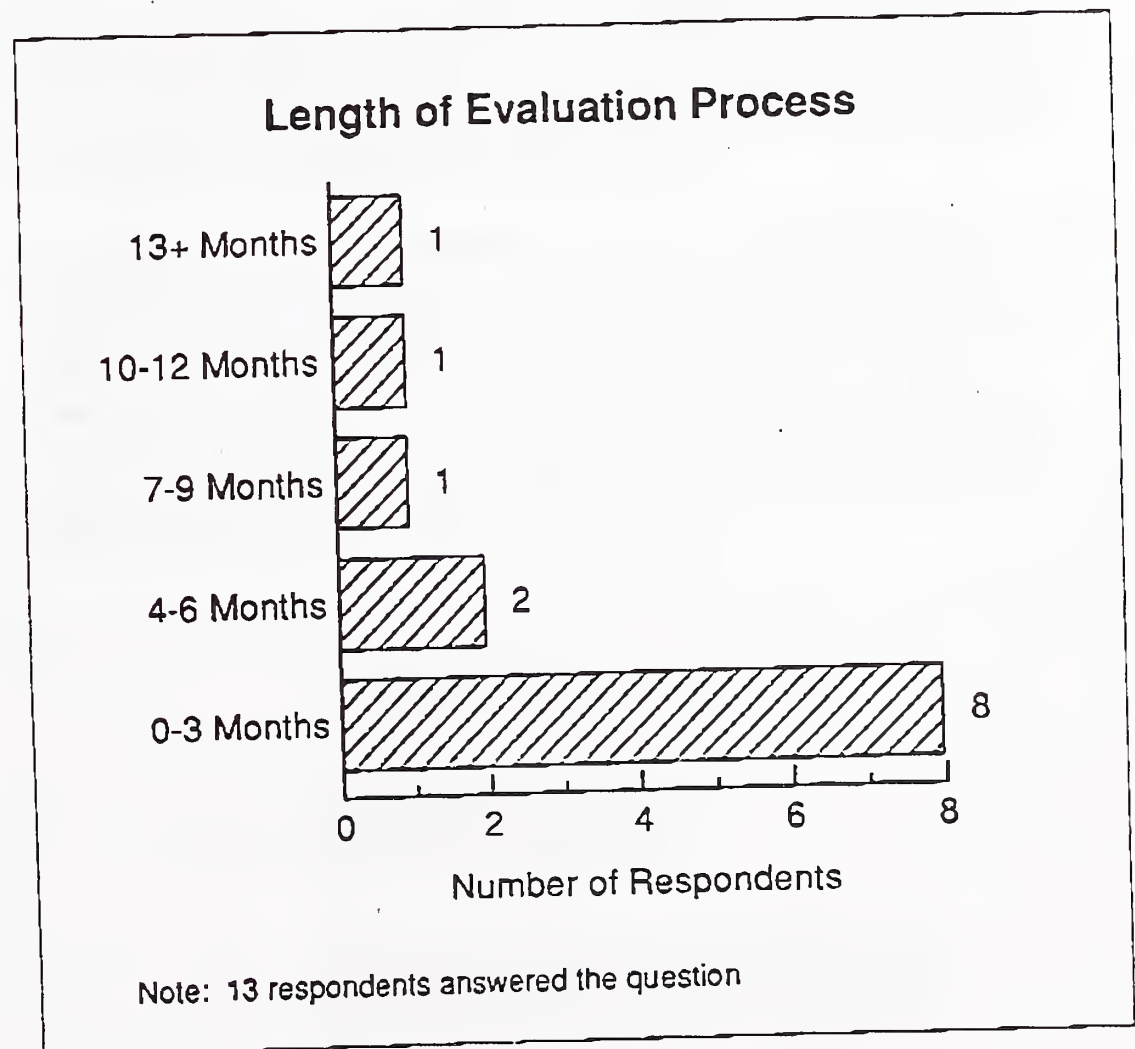
EXHIBIT IV-6



B**Evaluation Process**

The vendor selection and evaluation process generally took less than three months for the majority of the users in this study. The experience of all the respondents is illustrated in Exhibit IV-1. The average length of the process for all respondents was 4.9 months. The few companies that took seven months or more to complete this stage of the procurement were not clustered in any particular industry, but spread across several vertical industries.

EXHIBIT IV-1



Vendor evaluation is complex and many criteria are analyzed before a final decision is made. Ongoing discussions between the buyer and bidding vendors are customarily extensive. Buyers may further refine requirements based on proposals. Offered prices are compared in detail with in-house costs. Because of the selective manner in which bids are solicited, only a few vendor proposals are submitted. Respondents in this study reviewed, on average, 2.7 vendor proposals.

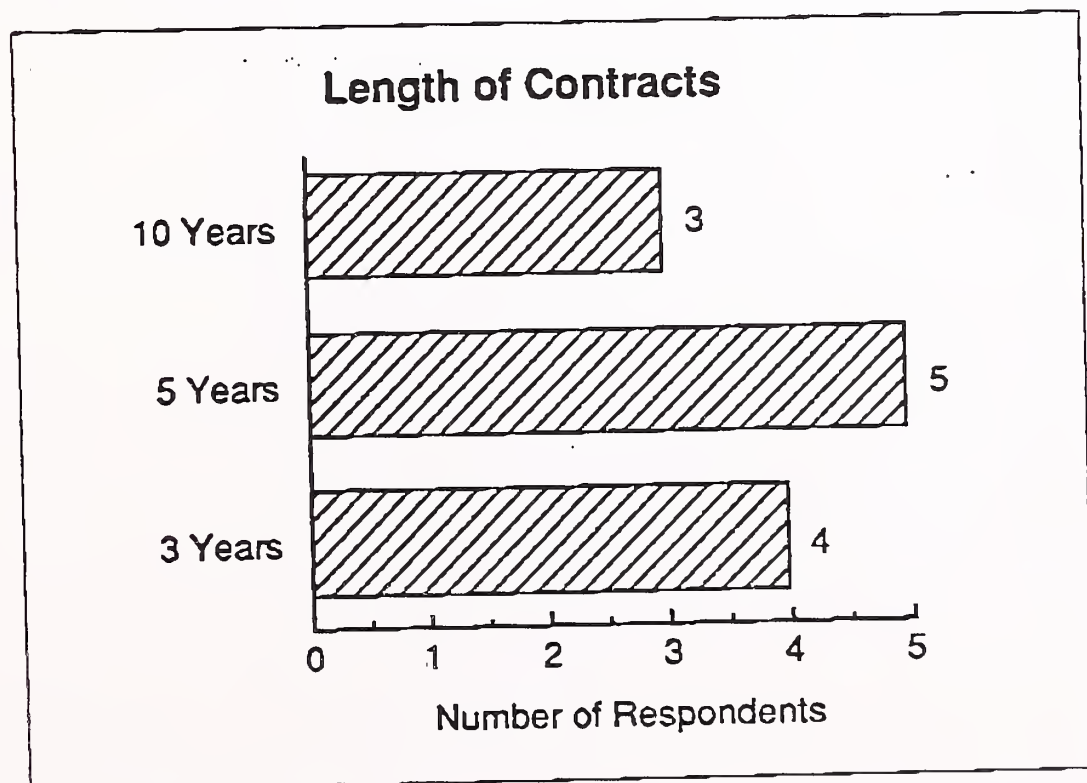
Most contracts also contained extension clauses that specified what would happen at the end of the contract. The options varied and are summarized as follows:

- One to five years extension at specified price increase
- Renegotiation under specified conditions
- Two automatic extensions of one year each
- A discount granted to buyer to extend the contract
- Movement to a platform-type contract, then migration to an in-house option managed internally

Two other items were mentioned by one respondent. The contract specified how inflation would be treated in determining the service price and that as the user's volume of usage increased, new price schedules would go into effect at certain predefined thresholds. These two items were included in a long-term (10 years) contract.

The lengths of the contracts reviewed are illustrated in Exhibit IV-4. The largest grouping is at five years. Two of the three ten-year contracts were held by the same vendor. Other evidence indicates that this vendor tends to sign longer-term contracts than other vendors. No pattern emerged in any particular vertical industry market. The ten-year contracts, for example, were in the banking and the discrete manufacturing industries, while the three-year contracts were in the retail distribution, process manufacturing, and banking industries.

EXHIBIT IV-4



Negotiating the Deal

Scope of Services

- Identify Vendor responsibilities
- Identify your responsibilities
- Identify shared responsibilities

Negotiating the Deal

Service Levels

- Identify list of base services and add-ons
- Identify performance standards for:
 - Availability
 - Response time
 - Applications development support
 - Turn-around times
 - Support - what kind and how quickly
 - Penalties for non-performance
- Other areas:
 - Security administration
 - Disaster recovery
 - Job scheduling
 - Applications support

Negotiating the Deal

Price

- Identify the appropriate processing environment
 - Shared or stand-alone
- Identify price components
 - CPU
 - DASD
 - Tape
 - Telecommunications
 - Software
- Identify incremental costs

Negotiating the Deal

Recipe for a Good Outsourcing Deal:

- Know what you do today
- Figure out what you want the vendor to do
- Have a thorough understanding of your technical environment and future needs
- Get the lawyers involved *after* you've dealt with these issues
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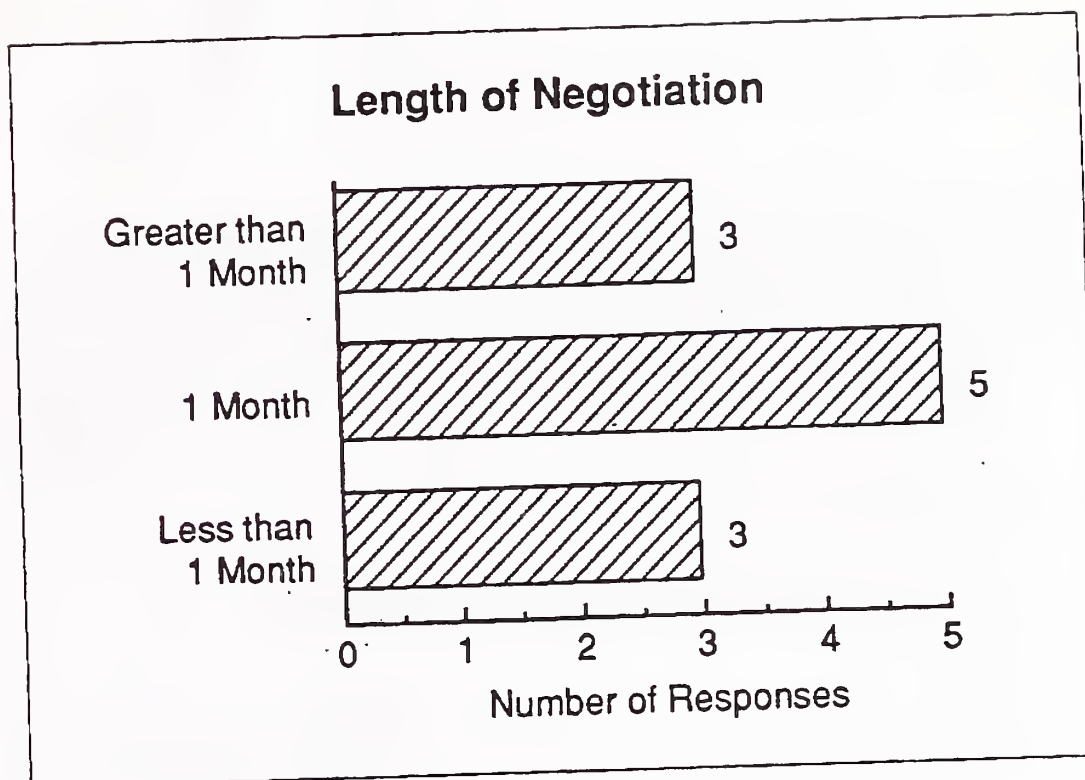
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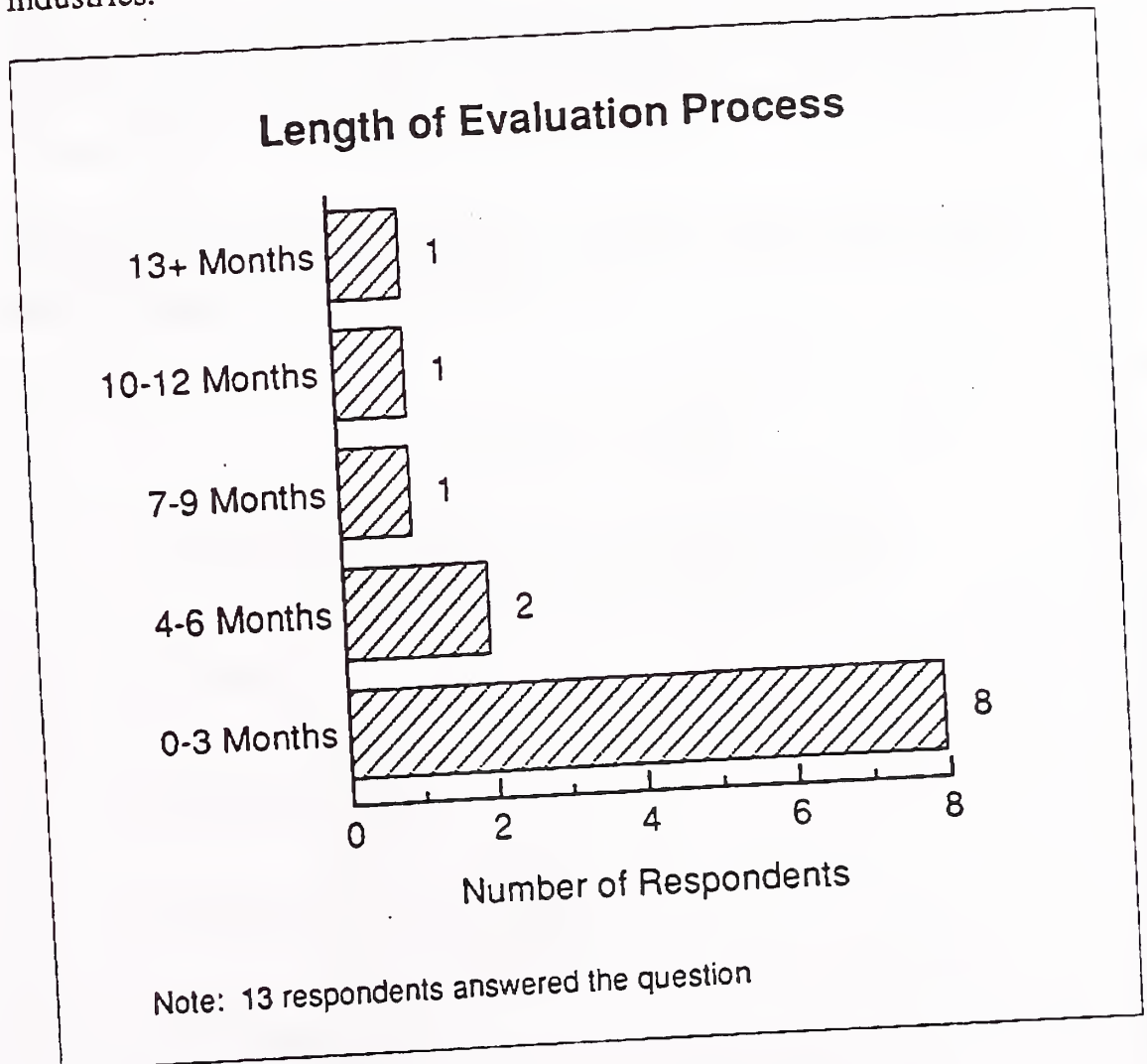
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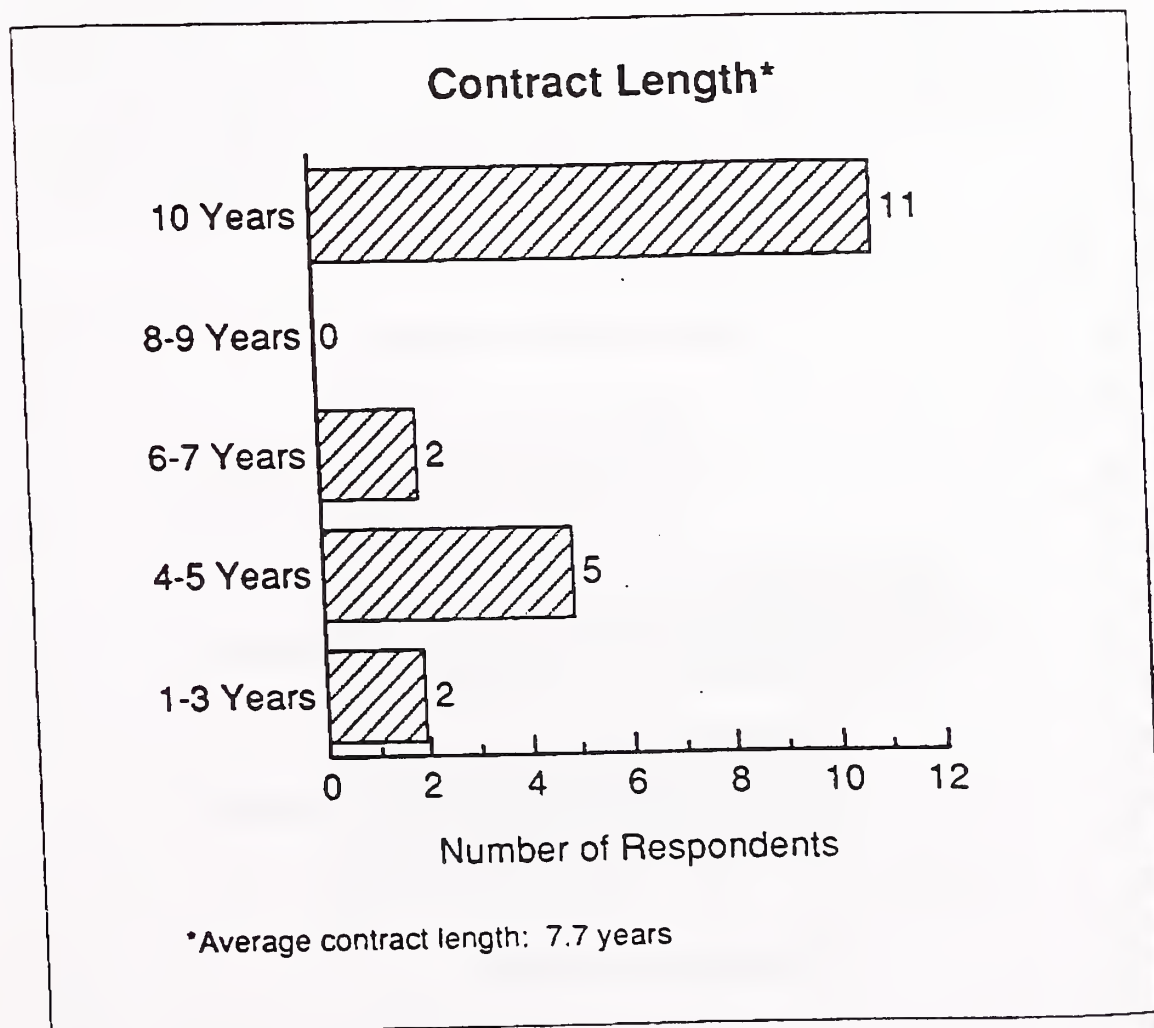
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Although most vendors provide for the transfer of users' personnel into their organizations, or are responsible for their outplacement, only ten user contracts included this provision. Personnel transfer issues are often resolved prior to developing the contractual document.

Contract language addressing equipment upgrades was included in ten contracts. Users with recently signed contracts noted that this provision takes advantage of new technology and changing applications requirements. Those with earlier contracts in place expressed regret that this requirement was not included in their agreements. Vendors are not obligated to provide more efficient hardware and software, according to contract terms.

The period of contract performance is a standard item included in outsourcing contracts. Ten-year contracts are more prevalent than other contract lengths, as shown in Exhibit IV-6.

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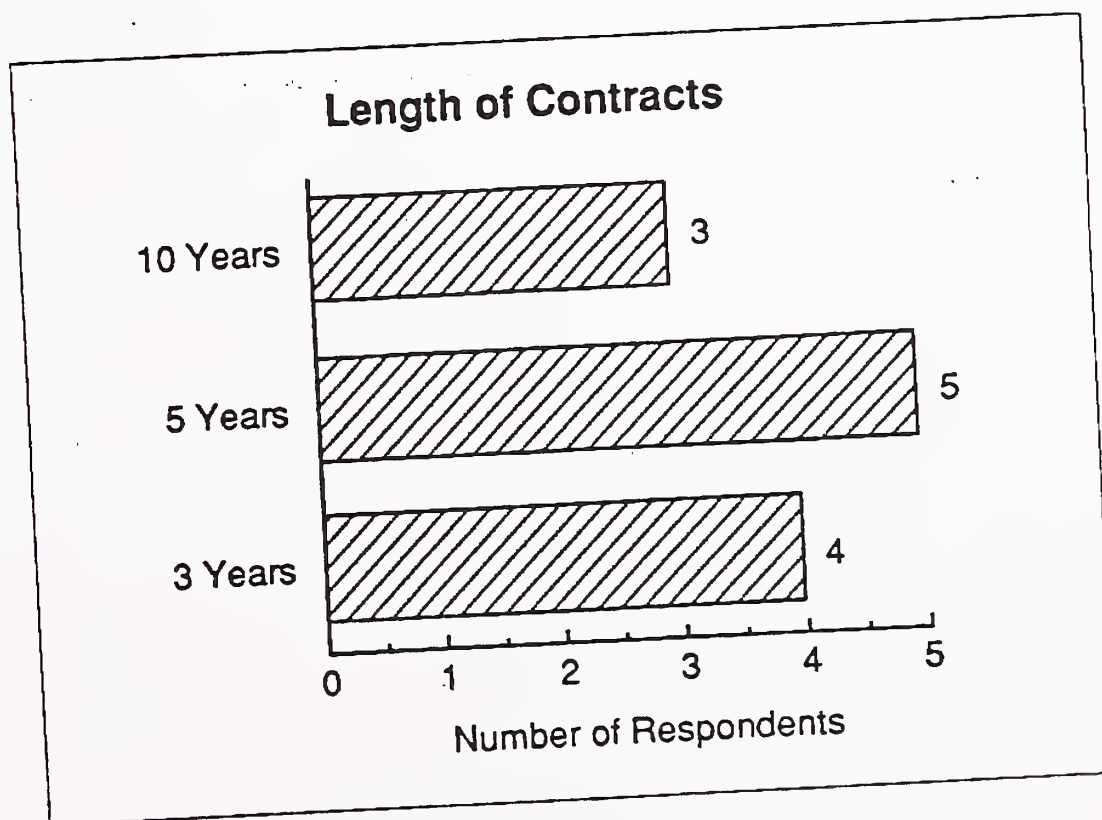
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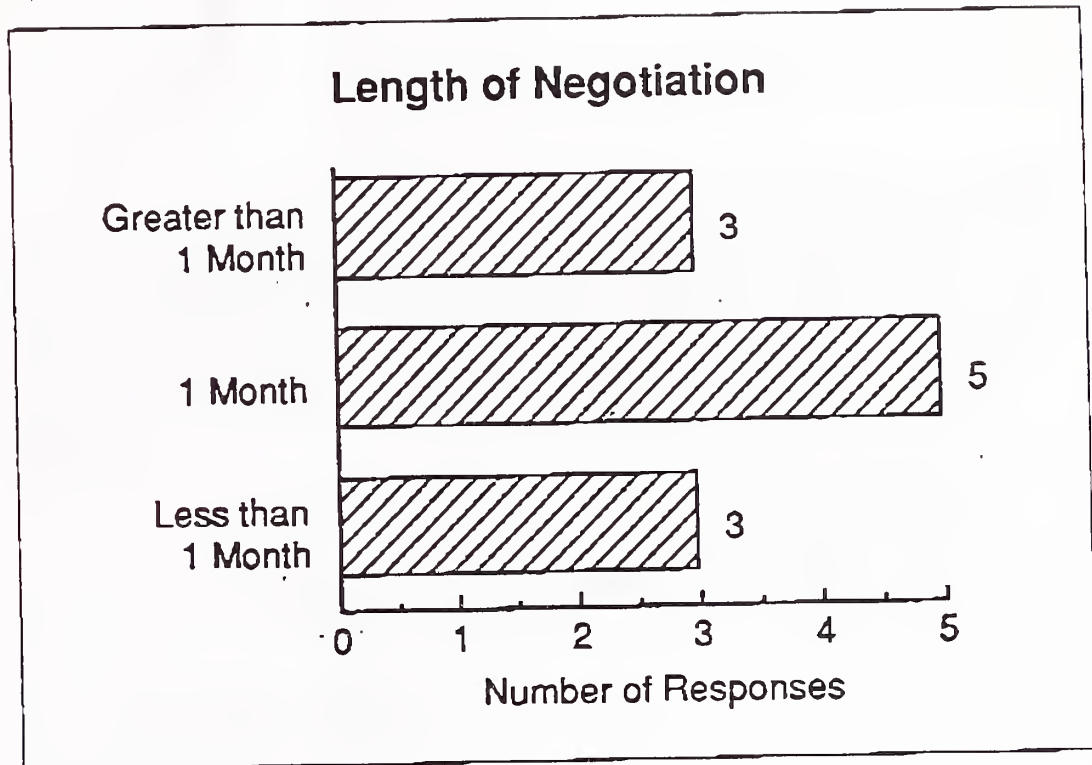
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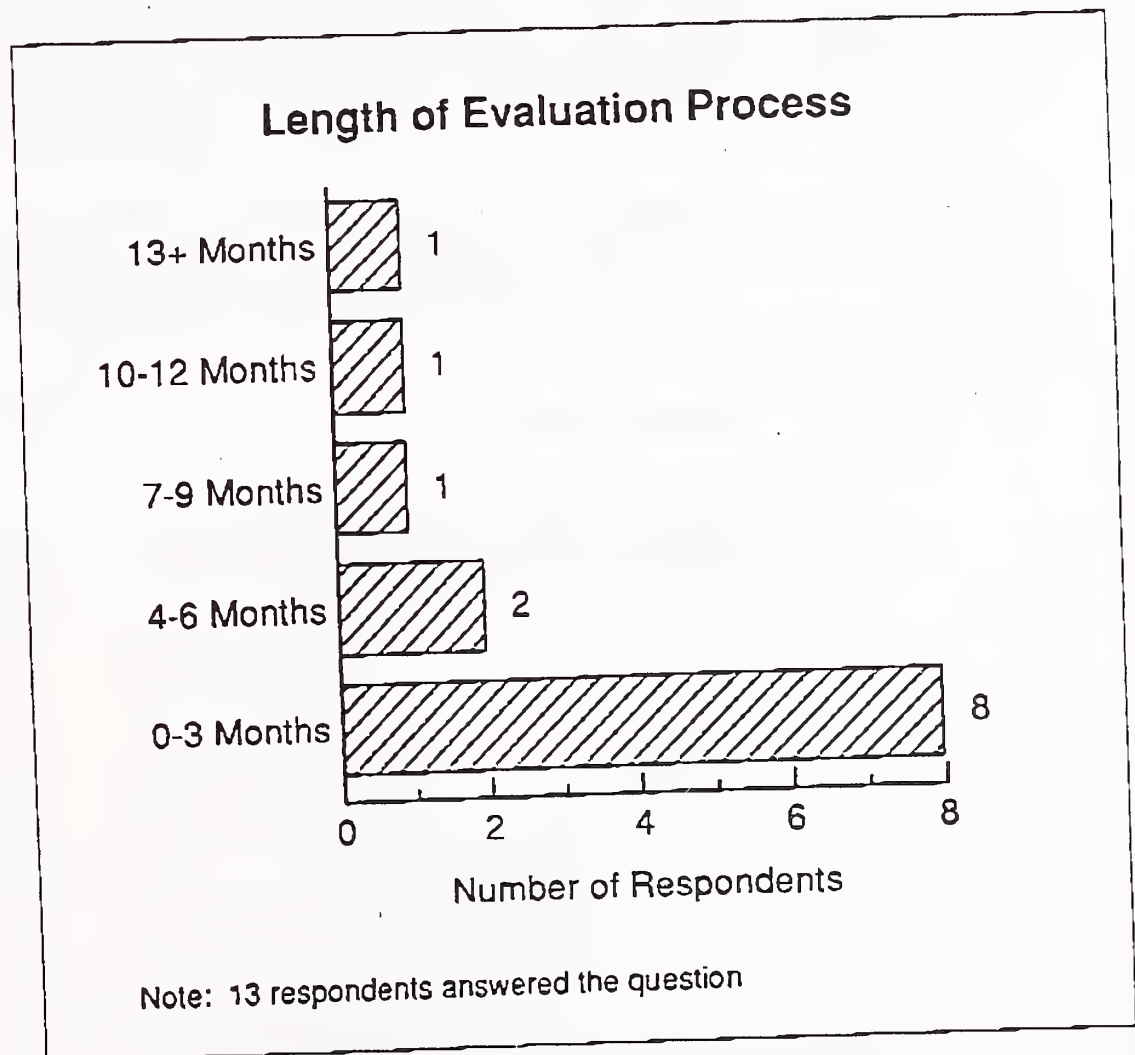
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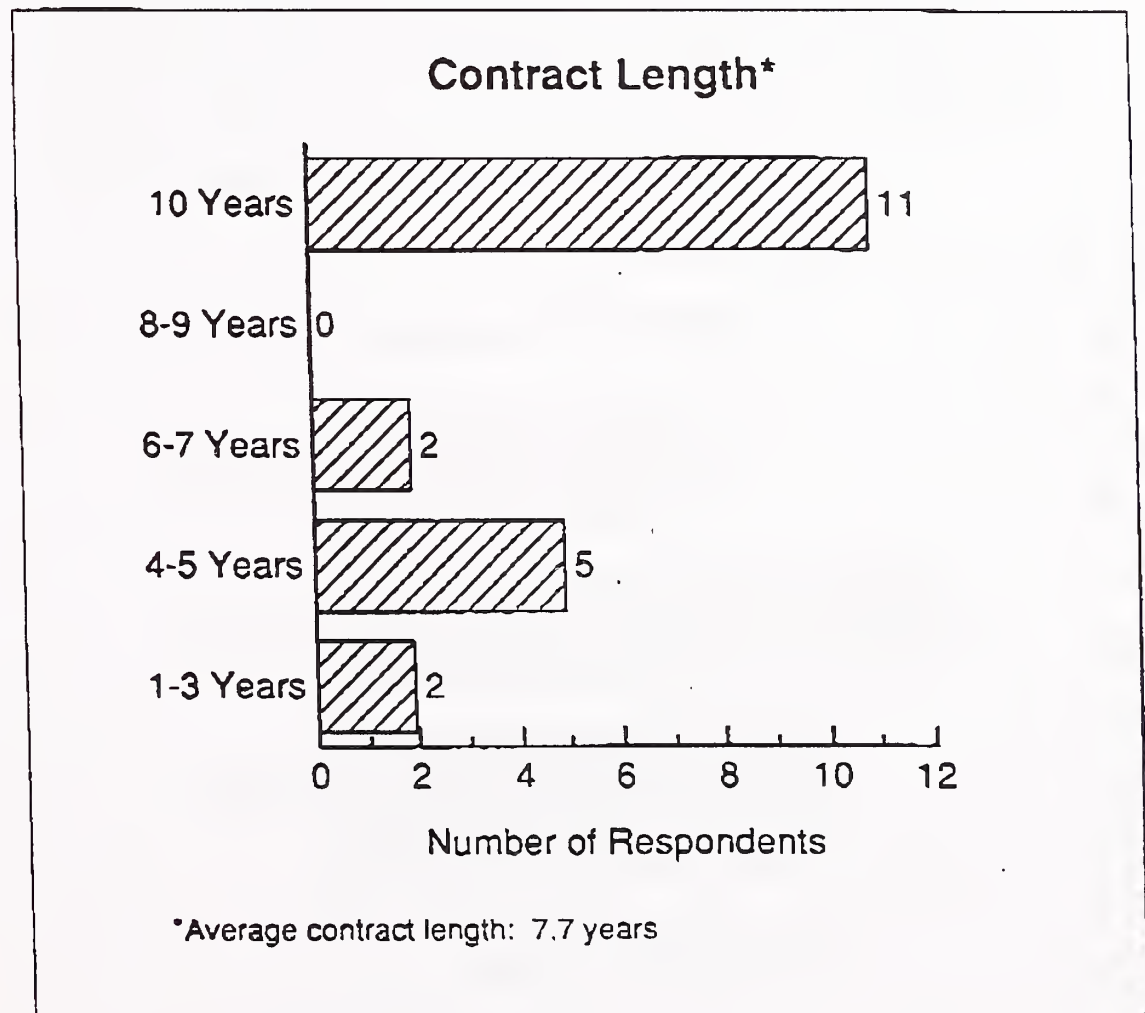
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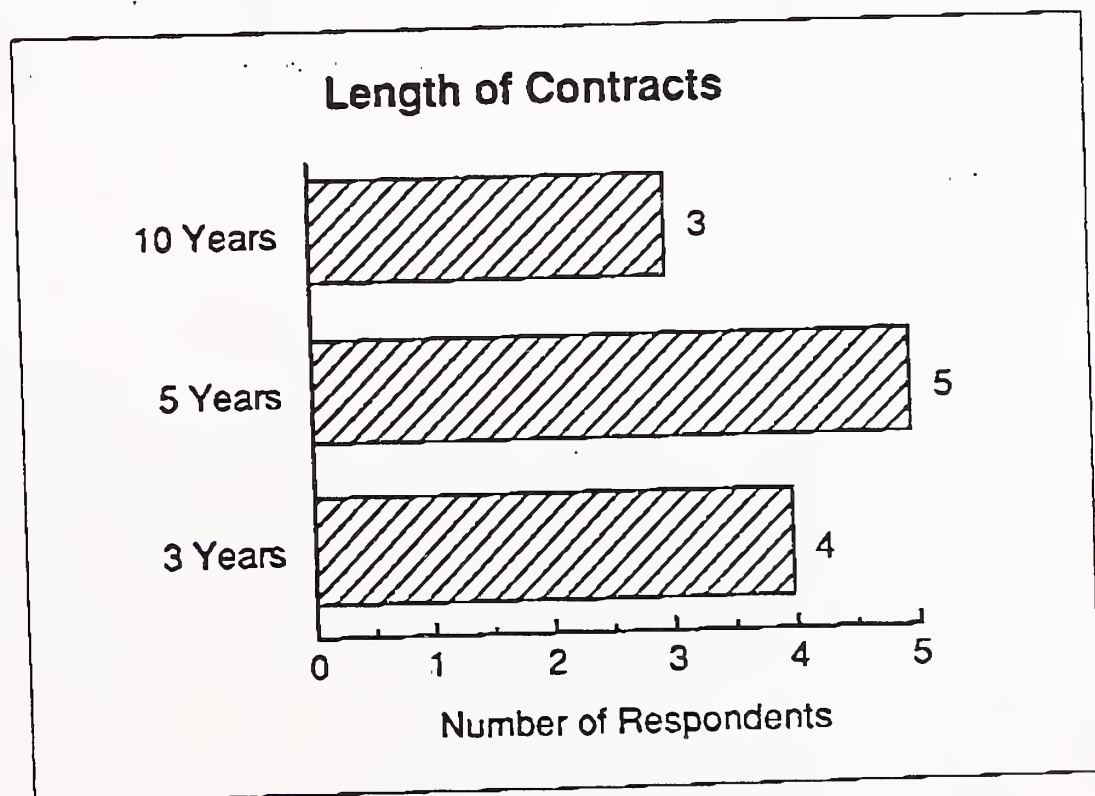
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Atrium at Glenpointe, 400 Frank W. Burr Blvd., Teaneck, NJ 07666 (201) 801-0050
Fax (201) 801-0441

FAX TRANSMITTAL FORM

Date: 3/1

Confidential: Y / N

To: Name: JPR

Urgent: Y / N

Tel./Location:

Co.:

Page: 1 of 3

Fax No:

File: Chron

From: TUR

Contact

Subject:

Other:

Query from Advantix

Can you give me your comments (esp.
of * section) by end of today?



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Fax (201) 801-0441 • VM (415) 961-3193 Ext. 307

PAUL A. LEMBERG
Sales Manager

1 of

Charlie Weininger of
Advan's NEEDS a
"Straw MAN" proposal (1 PAGE)
by Monday. Can you do
this?

PL

Characteristics of Types of Systems Operations

Location of Main Computer	Ownership of Main Computer	
	Vendor	Customer
Vendor Site	Processing Services	Processing Services
Customer Site	Professional Services	Professional Services

SO- 5



Dominant modes

INPUT

Notes

Characteristics of Types of Systems Operations

Location of Main Computer	Dedication of Main Computer	
	Shared	Single Customer
Vendor Site	Processing Services	Processing Services
Customer Site	Professional Services	Professional Services

☐ Dominant modes

INPUT

SO-6

Notes

Advantis Capacity Services

Customized data processing to help your business grow

Advantis™ Dedicated Processor Custom Offering program is a custom offering designed for companies with outstanding requirements that are not met by either traditional time-share offerings or comprehensive, long-term facilities-management services.

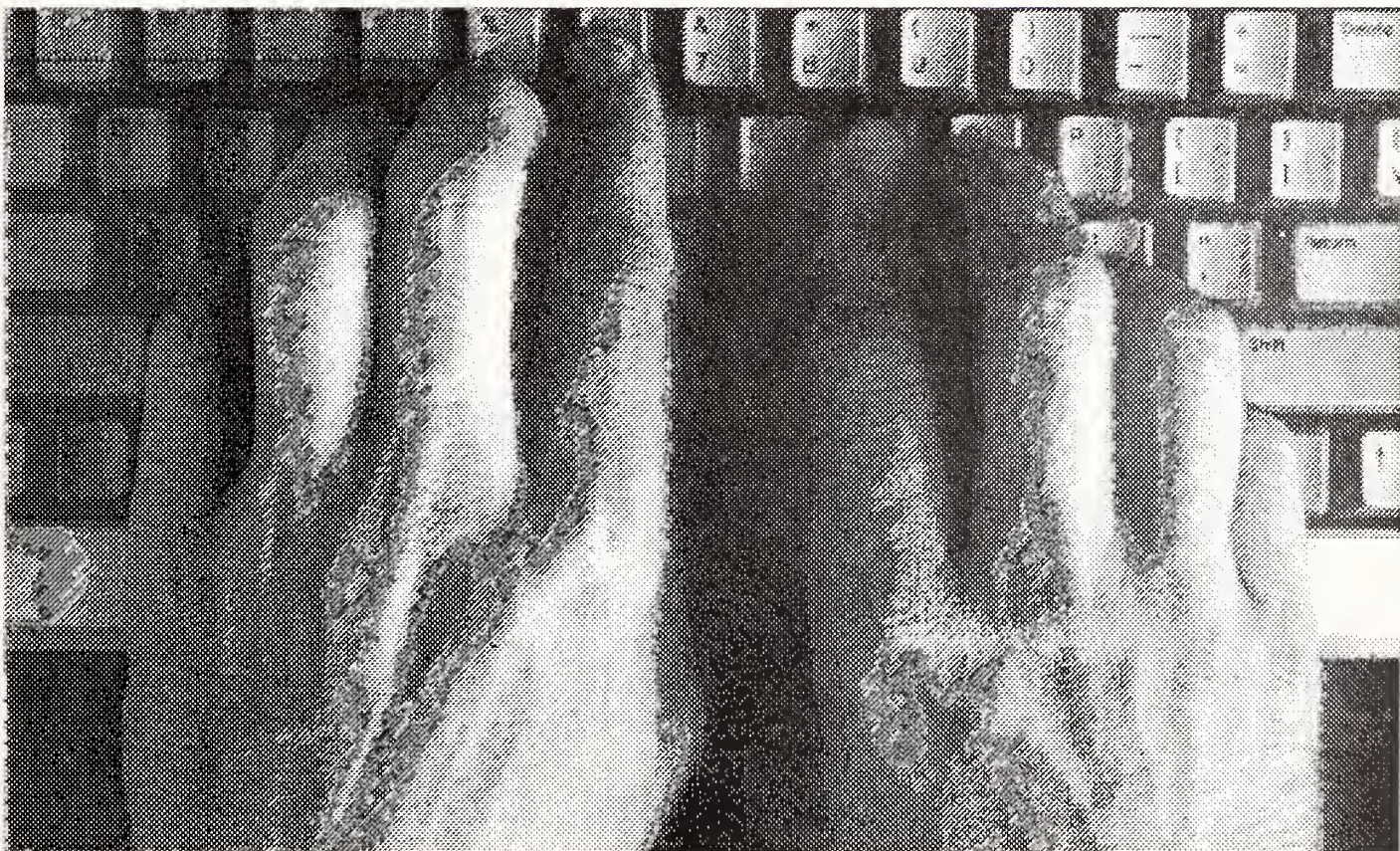
With the Dedicated Processor Custom Offering, Advantis provides and supports IBM hardware and system software tailored to a customer's requirements, while the customer provides and manages application software. The customer's dedicated computing environment is installed at an Advantis facility and accessed remotely via the Advantis network.

Experienced Advantis professionals furnish partial systems-programming and operational support, performing tasks and services such as mounting tapes and system restarts.

Day-to-day operation of application systems and ownership of application software remain in the hands of the customer. This approach can allow companies to outsource system requirements while maintaining application control. At the same time, it offers the flexibility to modify computing resources to meet changing business requirements and to easily move systems and applications in-house.

A cost-effective solution for today's business requirements

Advantis Dedicated Processor Custom Offering provides alternatives for companies that need computing resources but do not want to make a capital investment. For example, in the case of a merger, acquisition or leveraged buyout (LBO), companies often need to implement mission-critical applications quickly but lack available capital resources. Or, for a variety of business reasons, companies may want to fund new programs, applications or resources as expense items rather than capital expenditures.



Predictable monthly charges can help companies plan and budget for dedicated processor resources. Services are offered at a fixed price, determined by system configuration rather than usage (except for usage-based network connectivity charges for remote terminals, printers and other devices).

The Dedicated Processor Custom Offering can also provide an easily implemented and cost-effective solution for companies with interim requirements, typically from one to three years in duration. For example, a company may want to:

- Continue operations during building construction or relocation
- Begin software testing, application development – even production – prior to delivery of a new processor
- Develop and test new systems before migrating to a new production environment
- Pilot a new service before committing to the purchase of hardware
- Supplement system programming and operational resources
- Meet peak load requirements, such as application development or the merger of multiple data center operations, without installing new internal resources.

Flexible data processing resources

The Dedicated Processor Custom Offering is designed to give customers flexibility in defining processor, DASD, tape, software and other system components. Advantis system programmers can work with you to select the proper system software and hardware configuration to meet your particular requirements.

The standard dedicated processor offering supports 43xx, 308x, 3090™ and ES/9000™ systems running under currently available MVS or VM operating systems. Most of the IBM subsystem programs available with

these control programs are also supported. Standard IBM storage devices supported are the 3380 and 3390 DASD and the 3420, 3480 and 3490 Magnetic Tape Subsystems. Advantis will provide system-level console support, and can maintain a tape library and perform tape mounts as part of the Dedicated Processor Custom Offering.

Options are available to meet varying customer requirements:

- *A Physically Dedicated System* provides use of a host processor that is reserved exclusively for a specific customer. This option offers the customer maximum security, independence and control over system performance.
- *A Logically Dedicated System* shares the host processor with multiple independent customers. The system is partitioned through the use of IBM's VM or PR/SM™ products, which can establish multiple system environments on a single physical processor. Customers can see and access only their own version or configuration of VM or MVS. Although this option does not afford as much control over performance of physical resources, it allows customers to quickly obtain more or less resources on demand.

Once your system has been installed at the Advantis site and testing is complete, you may install your application software, as well as any system modifications you want to support.

Advantis responsibilities

As part of the Dedicated Processor Custom Offering, Advantis will:

- Provide the system, floor space and tape storage
- Provide system and operations support staff
- Provide connectivity to Dedicated Processor resources through the Advantis network
- Provide customer support services, including Help Desk

- Provide a limited number of standard IBM system and subsystem software products
- Install systems, including IBM software
- Maintain hardware
- Maintain software provided by Advantis
- Provide network access security
- Provide technical support for IBM hardware and software
- Fulfill customer requests for services such as tape mounts, software fixes, and Advantis-provided software and system restarts.

Customer responsibilities

Under the Dedicated Processor Custom Offering, the customer is responsible for:

- System configuration and capacity planning
- Installation, network attachment and maintenance of workstations and printers at customer sites
- Administration of user IDs, passwords and user profiles
- Data security and management
- Technical support for application and OEM software and software customization
- System operation: scheduling and running jobs, operating remote consoles and requesting tape mounts
- Application support
 - Providing, installing, maintaining and operating application code and licensed third-party code
 - Authorizing access to applications
 - Maintaining responsibility for application code performance and results.

The Advantis advantage

The Dedicated Processor Custom Offering brings with it all the advantages of the Advantis network. The Advantis network has an excellent track record for performance, availability and reliability. High levels of redundancy are built into the network for backup, and to help assure continuous service,

including duplication of such key network components as control centers and transmission links.

Furthermore, the network is monitored around the clock and managed by skilled network professionals, who employ state-of-the-art management tools, including IBM network management software, artificial intelligence systems for monitoring and prioritizing alerts, and remote controllers for activating network components and re-routing network traffic.

- *Availability*—The Advantis network is generally available 24 hours a day, seven days a week.* That means you can access your Dedicated Processor resources regardless of time zones or hours of operation.

*Except for regularly scheduled network maintenance hours.

- *Reach*—The Advantis network provides local dial access nodes in more than 76 cities across the United States. Additional access is available via “800” number service in the United States, and internationally through IBM affiliates via local public data networks in 37 countries and locations.
- *User support*—The Advantis network provides a toll-free telephone hotline and online support in the use of the network. The online NOTIFY services allow end users and your service administrators to report problems and track resolution.
- *Security*—The Advantis network provides multiple levels of security to help prevent unauthorized access to the network. These include controlled access to the network’s data centers; account codes; user IDs; passwords; and resource authorization. In addition, customers can use Resource Access Control Facility (RACF) if installed on their Dedicated Processor to control specific system resources and data.

Your single connection to far-reaching business solutions¹

Through your connection to Advantis, you can extend your organization’s reach to hundreds of leased-line and dial-access cities throughout the United States and around the world. And you can take advantage of IBM solutions for international networking and business-to-business communications. For example, you can implement:

- Communications between your company and your international locations and business partners
- A dial network to give your business partners and remote employees access to your applications
- Company-to-company electronic mail with national and international business partners
- Electronic data interchange (EDI) to reduce costs and gain a competitive advantage
- Integrated access to a wide range of databases, business services and Advantis remote computing services.

Let us tell you more

Find out how Advantis Dedicated Processor Custom Offering and other solutions can help you meet today’s business requirements. Contact your local IBM marketing representative or write:

Advantis
P.O. Box 30021
Tampa, FL 33630

TM *Advantis is a trademark of Advantis*

® *IBM is a registered trademark of
International Business Machines
Corporation*

TM *3090, ES/9000 and PR/SM are
trademarks of International Busi-
ness Machines Corporation*

The logo for Advantis, featuring the word "advantis" in a stylized, lowercase, serif font. A thick, dark, curved line arches over the letters, resembling a stylized 'A' or a protective shield.

A NETWORKING TECHNOLOGY COMPANY

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Tampa, FL 33630

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DRAFT AGENDA

INPUT - Advantis

March 16, 1993

- Introductions
- Overview of Capacity Services market (Advantis/INPUT)
- Advantis' direction/strategy in Capacity Services offerings
- Review of project and overall objectives (Advantis/INPUT)
- Advantis assessment of general competitive environment
- Advantis perception of specific competitors, especially SHL
- Review of project "scope" (14 points in original Advantis request plus INPUT's additions of strengths and weaknesses and synergies).
 - Discussion/clarification
 - Additions (if any)
- Discussion on the form of the deliverable
- Establishing milestones

*** ACTIVITY REPORT ***

TRANSMISSION OK

TX/RX NO. 2420

CONNECTION TEL 18138785587

CONNECTION ID

START TIME 03/11 12:31

USAGE TIME 01'39

PAGES 3

RESULT OK

Atrium at Glenpointe, 400 Frank W. Burr Blvd., Teaneck, NJ 07666 (201) 801-0050
Fax (201) 801-0441

FAX TRANSMITTAL FORM

Date: Mar 11
To: Name: Al Wright
Tel./Location: 878 3734
Co.: Adventis
Fax No: 813-878 5587
From: Tom O'Flaherty
Subject: Draft Agenda

Confidential: Y / N
Urgent: Y / N

Page: 1 of 3

File: Chron
Contact
Other:

March 11, 1993

Mr. Al Wright
Advantis

Via Fax: 813-878-5587

Dear Al:

Thanks for the directions and hotel information.

Attached is an expanded draft agenda. Please feel free to add things to it.

I look forward to seeing you next Tuesday at 9 am.

Sincerely,



Thomas O'Flaherty
Vice President

Attachment



INPUT**CONFIDENTIAL—Property of INPUT****CONTACT REPORT**

INPUT

Staff: Init. DM

Init. _____

☐ INPUT office ☐ Client Office ☐ Other RefContact Date: 4/23/Date Written: 4/23/97

Company <u>Advantix</u>	DISTRIBUTION:			Prog./Proj. ID _____
Name <u>Al Wright</u>	Action	Info.	By When	Describe Action-F/U
Title		<u>McNam</u>		
Address				
Phone: () -				
Fax: () -				

left VM saying we were targetly complete
week of May 2. Said we had a few
delays. Gave John's name if he
wanted to call next week)

☐ Continued over

**Facsimile****The
Genix
Group**5225 Auto Club Drive
Dearborn, MI 48126-2607

(313) 337-4800 Telephone

(313) 337-4892 (Mr. Cifolelli's Private)

323-4082

April 5, 1993 2
Date Mr. T. O'Flaherty Total Pages including Cover
Recipient 1-201/801-3441
Company Douglas Taylor Fax Number
Sender

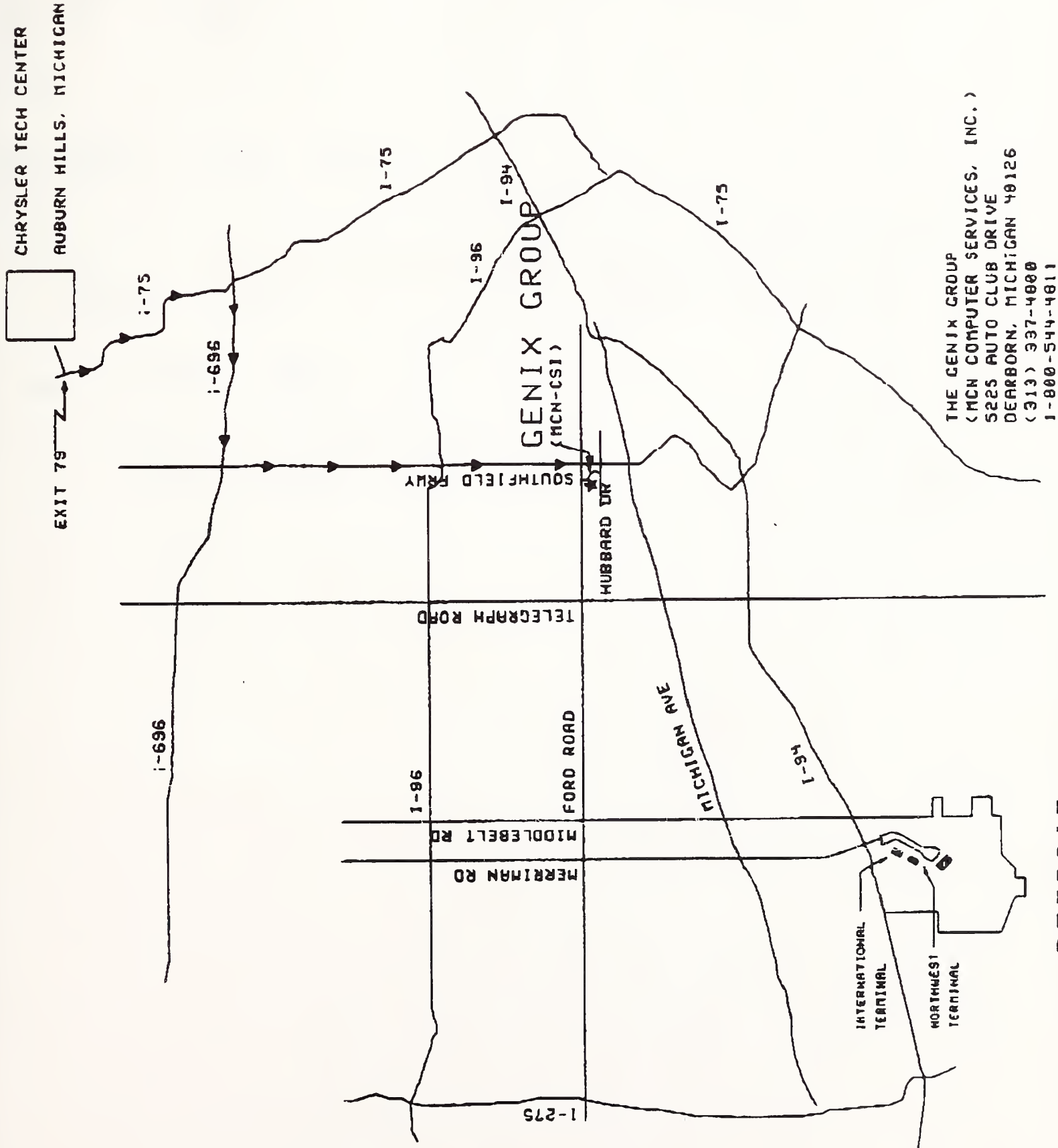
Comments

Mr. O'Flaherty,

Below are the numbers for the
Ritz Carlton and Hyatt Regency.
Both are nice meetings from
Genix.

Carolyn

- Marriott Centurion (1-313/271-1400)
- Hyatt Regency (1-313/597-1234)



THE GENIX GROUP
(MCN COMPUTER SERVICES, INC.)
5225 AUTO CLUB DRIVE
DEARBORN, MICHIGAN 48126
(313) 337-4888
1-800-544-4811

DETROIT
METRO
AIRPORT

CONTACT REPORT

INPUT

Staff: Init. _____ Init. _____ ☐ INPUT office ☐ Client Office ☐ Other _____

Contact Date: ____ / ____ / ____

Date Written: ____ / ____ / ____

Company <i>Advantix</i>	DISTRIBUTION:			Prog./Proj. ID _____
Name <i>Al Wright</i>	Action	Info.	By When	Describe Action-F/U
Title				
Address				
Phone: (<i>813</i>) <i>878-3734</i>				
Fax: () -				

VM 5/14

Kim Cox *878-3442*

new MHT Dev

"Most excellent ~~rep~~ work"

Mail List Change Order 1. ☐ Update ☐ Correction ☐ Deletion ☐ Addition* Serial Number.

2. Customer Type: ☐ Vendor ☐ Others ☐ Media ☐ User

3. Newsletters: ☐ EDI ☐ Field Service ☐ Other

4. Vendor: Vendor Type—☐ Client ☐ Former/Report Client ☐ Prospect

- Contact Level—☐ Executive ☐ Acquisition ☐ International ☐ Other
- If Exec. or Other Contact Level—☐ Maintenance ☐ Equipment ☐ Communications ☐ Others ☐ Info. Svc.
- If Info. Services—☐ Turnkey & Software ☐ Network & Processing ☐ Systems Integration ☐ Professional Svc.

5. If User: User Type—☐ Client ☐ Former/Report Client ☐ Prospect

- Comm. Contact Level—☐ Executive ☐ IS Mgmt. ☐ Other
- Fed. Contact Level—☐ Executive ☐ Acquisition ☐ Prog. ☐ Manager/Technical ☐ Other
- If Fed. Executive—☐ Info. Resource Mgr. ☐ Asst. Secretary ☐ Commander (Military) ☐ Agency Head
- If Fed. Other—☐ Laboratory ☐ NIS ☐ Users ☐ GSA

* No names will be added without a completed change order and program manager approval.

Program Manager Authorization

CONTACT REPORT

Continuation

Company

Name

NEAR TAMPA

DINNER CRUISES

ADMIRAL DINNER BOAT: Clearwater Beach Marina, 462-2628. SEE the beautiful sights of Clearwater Harbor while enjoying a three hour (Sat. 3 1/2 hour) dinner and dance cruise aboard the triple-deck, 400-passenger vessel. Cruises Tues. thru Sat. and most Sun. departing at 7 p.m.

continued on pg. 27

Spanish cuisine and the best in fresh seafood, beef and chicken. Spanish specialties include paella "Valencia" and filet mignon steak "Columbia." The famous "1905 Salad" is a must. Spanish flamenco show by Gisela Sotomayor Company at Ybor City location (begins at 8:30 p.m., Mon. - Sat.). Open Mon. - Thurs., 11 a.m. - 10 p.m.; Fri. and Sat., 11 a.m. - 11 p.m.; Sun., noon - 10 p.m. Children's menu. Reservations recommended. (AMX, CB, DC, MC, VISA) Map grid X8

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East on I-4, Exit 50th St., South on 41, 3 miles

to 22nd St. Cswy., 1/4 mile on Bay. West on I-4,
Exit 22nd St. See map for location.

SEE TAMPA 23



1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21

ABCDEFGHIJKLMNOPQRSTUVWXYZ



SEE VISITOR'S MAP OF Tampa-St. Petersburg

Legend:

- Interstate Highway
- U.S. Highway
- State Highway
- Minor Street
- Points-of-Interest
- Chamber of Commerce

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Atrium at Glenpointe, 400 Frank W. Burr Blvd., Teaneck, NJ 07666 Tel. (201) 801-0050
Fax (201) 801-0441

May 13, 1993

Mr. Al Wright
Advantis
3101 W. Dr. M.L. King Drive
Tampa, FL 33607

Dear Al:

Attached are five copies of the report. They are stamped draft to indicate that we are more than happy to make changes and clarifications if necessary. Actually, as you can see, the information is quite complete -- every grid in the matrix is filled in.

You may want to look over the report first and ask questions before distributing it to the others. Let me know when a good time for the review meeting will be from your standpoint. Our schedules are fairly flexible for the rest of the month.

Both John and I found this project quite interesting and look forward to helping you in any way.

Sincerely,



Thomas O'Flaherty
Vice President

TOF:jb
Attachments

Mail List Change Order 1. ☐ Update ☐ Correction ☐ Deletion ☐ Addition* Serial Number_____

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3. Newsletters: ☐ EDI ☐ Field Service ☐ Other

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• Contact Level—☐ Executive ☐ Acquisition ☐ International ☐ Other

• If Exec. or Other Contact Level—☐ Maintenance ☐ Equipment ☐ Communications ☐ Others ☐ Info. Svc.

• If Info. Services—☐ Turnkey & Software ☐ Network & Processing ☐ Systems Integration ☐ Professional Svc.

5. If User: User Type—☐ Client ☐ Former/Report Client ☐ Prospect

• Comm. Contact Level—☐ Executive ☐ IS Mgmt. ☐ Other

• Fed. Contact Level—☐ Executive ☐ Acquisition ☐ Prog. ☐ Manager/Technical ☐ Other

• If Fed. Executive—☐ Info. Resource Mgr. ☐ Asst. Secretary ☐ Commander (Military) ☐ Agency Head

• If Fed. Other—☐ Laboratory ☐ NIS ☐ Users ☐ GSA

* No names will be added without a completed change order and program manager approval.

Program Manager
Authorization _____

CONTACT REPORT Company

Continuation Company _____

Company _____

Name _____

CONTACT REPORT

INPUT

Staff: Init. _____ Init. _____ ☐ INPUT office ☐ Client Office ☐ Other _____

Contact Date: ____ / ____ / ____

Date Written: ____ / ____ / ____

Company	Advantis	DISTRIBUTION:			Prog./Proj. ID _____
Name	Kin Cox	Action	Info.	By When	Describe Action-F/U
Title					
Address					
Phone: (813) 878-3442					
Fax: () -					

Material being reviewed

☐ Continued over



Telecopy Transmission Sheet

TO: INPUT DATE 6/2/93TELEPHONE #: 201-861-0441

NUMBER OF PAGES (INCLUDING COVER PAGE): _____

FROM: KIM COXEXTENSION: 813-878-3442

The logo for Advantis, featuring the word "advantis" in a stylized, lowercase serif font. A thick, curved line arches over the letters, starting from the top of the 'a' and ending above the 's'.

3405 W. Dr. M. L. King, Jr. Blvd.

Tampa, FL 33607

FAX: Tieline 438-3887 or

813-878-3887

PLEASE VERIFY RECEIPT TO: _____

USER ID _____ TIE LINE: _____

COMMENTS/SPECIAL INSTRUCTIONS: _____

Paul -

We at Advantis are interested in learning more about the Capacity Services (Remote Computing, Shared Capacity, and Dedicated Processor Custom Offering) marketplace. Specifically, we need the following information in the form of a matrix; we will fill in Advantis capabilities. If you believe there are other categories of differentiation, please let us know. Also, you may want to expand on several of the categories beyond a brief matrix entry; e.g. "fundamental competitor strategy".

1. Are there key potential competitors in the industry other than those identified?

2. Does any other competitor offer exactly the services we offer?

3. How does the competitor value its inventory and allocate its costs?

4. How does the competitor achieve economies of scale, determine its costs and set prices?

5. How does the competitor manage its contract negotiations process, and what is the average duration of these negotiations and the length of the contracts?

6. Where the competitor has a parent relationship, what is the economic relationship between the competitor and its parent company?

7. What is the fundamental strategy of the competitor?

8. How does the competitor perceive of itself and its relationship to the outsourcing industry, e.g., "low-cost producer, industry leader," etc.

9. How do the competitors charge for their services, e.g., CPU seconds?

10. How does the competitor manage software, is it included in the price, bought separately, does it include IBM and/or 3rd-party software?

11. How does the competitor manage software licensing for third party software?

12. Does the competitor offering "rightsizing" services, using a S/370 or S/390 to migrate to AS/400 platforms?

13. Are their competitors offering outsourcing services for the AS/400, and what is their strategy and service offering?

~~pl~~ plat not supported

{ depreciation period
lease vs purchase
new vs old

* { How see personal
Mant
size of data center?

]

↪

Strongly recommend

* diff method ??

]

transition

go back m-h

↪

14. How does the competitor market their services, i.e., sales force strategies (are they in control of their field forces?)

Of considerable interest to us would be the following known competitors:

1. Genix
2. Litton
3. System House
4. ~~Affiliated Computer Services~~ *Martin Marietta*
5. Power Computing →

** Same as
1*

We would also want information on other potential competitors if you believe they are or may become significant competitors.

I would appreciate a 'strawman' proposal by March 1 including any additional competitors, time frames, and estimated costs. If you have any questions, please give me a call at 813-878-3335. Thank you.

for 6671

Charlie

Charlie Meininger
February 24, 1993

Synergies (if any) to)

*(Other Mkt-rel src (eg
outsourcing, trans proc)*

• Apples

• Fed mkt

Atrium at Glenpointe, 400 Frank W. Burr Blvd., Teaneck, NJ 07666 (201) 801-0050
Fax (201) 801-0441

FAX TRANSMITTAL FORM

Date: Mar 19
To: Name: Al Wngur
Tel./Location: 813-878-3734
Co.: Advents
Fax No: 813-878-5587
From: Tam O'Flaherty
Subject: Please give me any feedback

Confidential: Y / N
Urgent: Y / N

Page: 1 of 4

File: Chron
Contact
Other:

11 11



FAX DELIVERY:

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WORLDWIDE ELECTRONIC MAIL SERVICE

TO: Tom J. O'Flaherty
INPUT
Teaneck, NJ

FROM: A. K. Wright
Advantis Capacity Services
Tampa, FL
CARVM8(AWRIGHT) / IBMMAIL(USIBMSTL)
813 878 3734 FAX: 5587

SUBJECT: Advantis Capacity Services Competitive Analys

FAX REFERENCE CODE: QBA950 INJ8103

IF YOU HAVE ANY PROBLEMS RECEIVING THIS FACSIMILE
PLEASE CALL 1-800-927-7661.



3. Maintenance (IBM vs. TPM) +

D. General Information

1. Organization structure +

2. Sales and Marketing

- o Focus (geography, industry, platform, etc.) (14)
- 0 Sales process (prospect identification, etc.) +

3. Competitive overview

- o Strengths and weaknesses prop
- o Company's perception of itself (8)
- o Overall strategy (7)
- o Future directions (8)

To: FAX --IBMMAIL
cc: GABC94Y --CARVM8
DIBERT2 --CARVM8

DASB94U --CARVM8

Alfred K. Wright ("Al") Advantis Marketing Programs
813 878 3734 TL-438 FAX: 5587 IBMMAIL: USIBMSTL

Subject: Advantis Capacity Services - Competitive Analysis

Tom, with the exception of on modification we concur with your summary and organization of the project. Please incorporate the following change:

Under "Profile Categories", Section D, "General Information," move the "Sales and Marketing" subitem to a MAJOR profile category, perhaps to a "Section E., Sales and Marketing."

In this category we would want to discuss the same items you outlined in the original subsection, but include organization, structure, coverage, focus, opportunity identification, etc.

Call to confirm your receipt of this FAX 813 878 3734.

*left VM 3/25
sogry. ok*

.....
" Subsume and Resonate "
.....

March 19. 1993

To: Al Wright, Advantis

From: Tom O'Flaherty, INPUT

Via Fax: 813-878-5587

Subject: Competitor Profiling

As we discussed, I am summarizing INPUT's current understanding of the project and its details. This is based on the "14 points" memo from Advantis, INPUT's proposal, and the items in the meeting last Tuesday. I believe that this captures all of the information, but I would be grateful for any feedback.

1. Targets

At the meeting the target list was modified so that Martin Marietta replaced ACS. Genix, Litton, SHL and Power remain on the list.

As we discussed, if we discover early in the project that a company on this list appears not to belong and/or we uncover another company that should be looked into, we will discuss this with you as soon as possible.

2. Profile Categories

I have reorganized the various sources into the categories below. (The numbers in parentheses refer to the 14 points, "+" refers to additional items which arose at the meeting and "prop" from INPUT's proposal.)

A. Services Offered

1. Overview of services; comparison to Advantis, including (2)

- o Timesharing offerings
- o Dedicated processor offerings
- o Differentiation with Advantis (including whether differences are positive or negative for Advantis)
- o Importance of geographic distance +

- 2. Transition services (12)
 - o Specific targets (e.g., AS/400) (13)
 - o If offered, how are mid-sized services offered economically +
- 3. Relation of capacity services to other services
 - o Overall parent relationships (6)
 - o Synergies prop
- 4. Software
 - o Software offered (IBM, third party) (10)
 - o Third party license arrangements (11)
 - o Method(s) for selling to/charging customers +
- 5. Federal activities (summary) +
- B. Pricing (4)
 - 1. General
 - o How are customers charged? (9)
 - o Are there innovative charging arrangements? +
 - o How fixed are prices? +
 - 2. Terms and conditions
 - o How flexible or standardized are contracts? (5)
 - o How long does it take to negotiate? (5)
 - o What direction are contracts going in? +
 - 3. Software
 - o Included in price or priced separately? (10)
- C. Cost structure (4)
 - 1. Hardware
 - o Current vs. obsolete technology used? (3)
 - o Lease vs. purchase? (3)
 - o Depreciation period (3)
 - o Optimum data center size +
 - 2. Personnel
 - o Relative cost (especially to Advantis) +
 - o Use of won staff vs. third party (for operations, other services) +

3. Maintenance (IBM vs. TPM) +

D. General Information

1. Organization structure +

2. Sales and Marketing

- o Focus (geography, industry, platform, etc.) (14)
- o Sales process (prospect identification, etc.) +

3. Competitive overview

- o Strengths and weaknesses prop
- o Company's perception of itself (8)
- o Overall strategy (7)
- o Future directions (8)

E Sales & Marketing

1. Organization & structure

2

3

- 2. Transition services (12)
 - o Specific targets (e.g., AS/400) (13)
 - o If offered, how are mid-sized services offered economically +
- 3. Relation of capacity services to other services
 - o Overall parent relationships (6)
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- 4. Software
 - o Software offered (IBM, third party) (10)
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 - o Optimum data center size +
 - 2. Personnel
 - o Relative cost +
 - o Use of won staff vs. third party (for operations, other services) +

Atrium at Glenpointe, 400 Frank W. Burr Blvd., Teaneck, NJ 07666 Tel. (201) 801-0050
Fax (201) 801-0441

March 5, 1993

Mr. Charles Meininger
Advantis
3101 W. Dr. M.L. King Drive
Tampa, FL 33607

Via Federal Express

Dear Charlie:

The following is the revised proposal you requested on Capacity Services. This has been modified as we discussed.

Scope

The only additions we would suggest now for your "matrix" questions in your fax are:

- What are the strengths and weaknesses of key competitors?
- What synergies (if any) exist between capacity services offered by competitors and other hardware-related services (such as outsourcing/systems operations, transaction processing and other network-based services)?

In the course of defining the matrix, other questions may arise that, depending on their complexity, could be included at no additional cost or time. (This would not be true if additional questions were raised after the research work began.)

INPUT is assuming that five vendors will be covered.

Methodology

INPUT would obtain the required information from three sources:

- Information currently in INPUT's possession; some of this would need to be verified as not having changed.

- Direct contacts with vendor organizations, e.g., for financial information. To the extent that some of the key information may be sensitive, INPUT will take the following approach:
 - In return for supplying this information, INPUT would provide averages or ranges.
 - IBM would receive detail, although in some cases particular details would not be associated with a specific firm.
- Interviews with customers. INPUT believes that up to 50 interviews may be required to get coverage for all targeted vendors.

INPUT recommends that there be a kick-off meeting at Advantis' offices where

- Advantis can provide additional information on its offerings and its perception of the competitive environment.
- Advantis and INPUT will review the project and its objectives.
- INPUT and Advantis will review in detail the definitions and coverage of the matrix questions.
- INPUT and Advantis will review the form the results will take. For example, INPUT assumes that
 - The "matrix" is primarily conceptual and that the primary delivery of results will be in outline form with perhaps a matrix summary.
 - Advantis will want a presentation and review of results at its offices.

INPUT will prepare a written report.

INPUT estimates that the project will take approximately six weeks to complete after authorization to proceed has been received.

Fee

INPUT's professional fee for the work described above will be \$20,000. One half of this amount (\$10,000) is due and payable at the time of project authorization. The remainder plus expenses is due at the submission of the final report. There will be an additional fee for out-of-pocket expenses (primarily travel, telephone and report preparation costs). INPUT does not expect these to exceed 10% of the professional fee.

Please authorize by signing the block provided.

Sincerely,



Thomas O'Flaherty
Vice President

a:prop3:ADVANTIS

AUTHORIZATION

To authorize the project as specified, please sign and return one copy of this proposal, along with the initial fee. Upon acceptance by INPUT, a countersigned copy of the proposal will be returned to Advantis.

AUTHORIZED BY:

Advantis

Name

Title

Date

ACCEPTED BY:

INPUT

Name

Title

Date

We at Advantis are interested in learning more about the Capacity Services (Remote Computing, Shared Capacity, and Dedicated Processor Custom Offering) marketplace. Specifically, we need the following information in the form of a matrix; we will fill in Advantis capabilities. If you believe there are other categories of differentiation, please let us know. Also, you may want to expand on several of the categories beyond a brief matrix entry; e.g. "fundamental competitor strategy".

AI Wright

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3. Are their competitors offering outsourcing services for the AS/400, and what is their strategy and service offering?

How does the competitor market their services, i.e., sales force strategies (are they in control of their field forces?)

Of considerable interest to us would be the following known competitors:

1. Genix
2. Litton
3. System House (?)
4. Affiliated Computer Services
5. Power Computing

We would also want information on other potential competitors if you believe they are or may become significant competitors.

I would appreciate a 'strawman' proposal by March 1 including any additional competitors, time frames, and estimated costs. If you have any questions, please give me a call at 813-878-3335. Thank you.

Charlie

Charlie Meininger
February 24, 1993

**Electronic Printing,
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**The
Genix
Group**

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- Continuity Program Management
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- Customized Application Programming
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- Advanced Function Printing*
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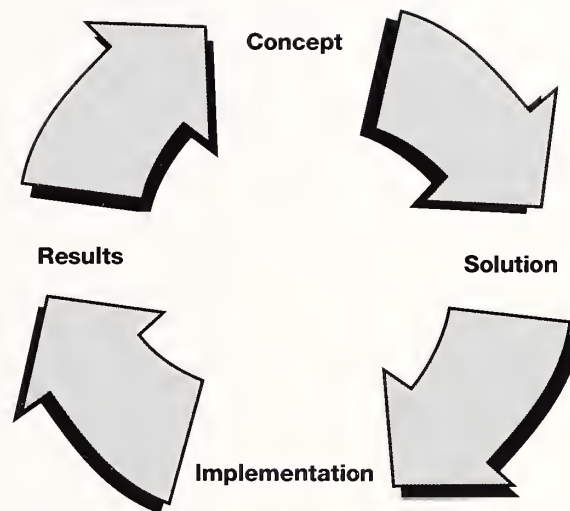
Our high-speed printers achieve maximum efficiency and the look of quality offset printing.

From Concept To Delivery.

The Genix Group offers you Total Project Management with customized solutions for your electronic printing, direct mail and fulfillment requirements... all delivered by a team dedicated to excellence in service.

Total Project Management means we turn your ideas into realities. We provide the solutions, manage the implementation, and furnish you with summarized results. Our in-house array of specialized equipment and personnel gives us the versatility to respond to your needs quickly and economically.

Most everyone is familiar with electronic printing on a desktop scale. A letter, form or statement is keyed in, then customized to go to a dozen or even a few hundred individuals. But what if the need is for several hundred thousand customized pieces? What if the customization requires complex database sorting and multiple segmentation? What if the run demands simultaneous customized output on both sides of several sheets? What if the number of pages in each envelope must vary? And what if you need one specialty service one day and another specialty service the next? Of course, you could deal with several different suppliers to meet your demands. Or you can get it all from The Genix Group...economically, efficiently and on time.



***Genix Total Project Management
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A blue-chip computer-maker has awarded us the contract for database management, sales processing and product fulfillment services for its revolutionary new operating system (including more than 40 software products). The Genix Group goes the extra mile and provides trade show support and inventory management to achieve total customer satisfaction.

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The Genix Group utilizes a wide range of printing and lettershop equipment from many manufacturers. So we're always able to select the very best for each solution we provide.

We have the latest in high-speed laser and impact printers. We also have low-temperature laser printers for work on plastics and certain adhesives, and LED printers that can double a laser's speed and efficiency on many jobs by printing two letter-size documents side-by-side. We help you choose the printing method that's perfect for your exact requirements.

The same applies to our lettershop equipment. We burst, trim, fold, insert, tie, bundle, label and ship your materials in the fastest, most cost-efficient way.

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The Genix Group processes more than 50,000 customer statements for a major Michigan utility every day. We meet our commitment for on-time performance.



*Genix's selective inserting
can determine precisely the right
messages for each recipient.*

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result of employee dedication to
excellent service.*

The Right Way.

Next to quality, turnaround time is the most important factor in electronic printing, direct mail and fulfillment. To help expedite your project, The Genix Group goes to extraordinary lengths. We are available to our clients 24 hours a day, 365 days a year. We are committed to excellence in service around the clock without any sacrifice in quality... the right way to do business.

The Genix Group routinely prepares last-minute "available space" discount mailings for a premier cruise line, profiling millions of prospects from the customer's database by age, past destinations, travel habits and other parameters.



*We've handled everything
from telemarketing to manual
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automotive suppliers, airlines
and many others.*

The Right Company.

The Genix Group is a large, full-service computer operations management company with an excellent reputation in the outsourcing industry. In addition to providing printing, direct mail and fulfillment services, we have access to knowledge and software that's not available through traditional printing and fulfillment service companies. For example, we utilize relational database capabilities to allow you quick and easy access to your valuable data.

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The Genix Group is owned by MCN Corporation, a \$1.3 billion NYSE company. Genix is solid. Experienced. Financially secure. And here to stay.

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*Everything Genix does involves
the handling, storage
and distribution of information.*



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